

## **BUSINESS LOGISTICS SYSTEMS**

TLOG 5633

Dr. Stephen M. Rutner – Summer Semester, 2002

THE UNIVERSITY OF ARKANSAS

### CATALOG DESCRIPTION

**TLOG5633 Business Logistics Systems** - Case approach to physical distribution problems of wholesale, retail, manufacturing establishments.”

### STATEMENT OF OBJECTIVES AND SCOPE

In the high cost and competitive environment of the twenty first century, a new managerial focus will emerge: Supply Chain Management. It is characterized by a recognition that the typical distribution channel contains redundant and unnecessary functions and inventories. To eliminate these nonvalue adding activities and assets, manufacturers must take a channel wide perspective (i.e., they need to manage inventory flows from source (vendor) to wholesalers, retailers and consumers/end users, regardless of ownership). Only then can costs be contained and customer service is enhanced. This course focuses on integrating the output of a firm’s logistics effort (customer service) with other components of the marketing mix, so that customer satisfaction can be maximized and differential, competitive advantage achieved at all levels in the supply chain.

Through better-managed logistics activities (transportation, warehousing, inventory management) the marketing effort of firms can be improved by providing consistent and dependable customer service levels. Logistics costs can exceed the cost of manufacturing, and consume as much as 50% of overall marketing costs. Logistics related assets often represent as much as 50% of a company’s total assets. Consequently, better management of logistics offers every member of the supply chain significant opportunities for improving corporate profitability and return on assets.

Managing logistics activities requires a “total systems” approach by manufacturers, wholesalers and retailers. This course includes an in-depth analysis of all of the activities involved in physically moving raw materials, in process inventories and finished goods inventories from point of origin to point of use or consumption.

Areas covered include: the integrated logistics concept, supply chain management, customer service, order management and the “perfect order” concept, transportation, forecasting, “Just-in-time” inventory management, managing manufacturers and supply chain inventories, assessing (auditing) logistics operations, third party logistics/outsourcing, measuring logistics performance, integration theory, and network planning and design methodologies & techniques.

### PREREQUISITES

Admission to either the MBA or Master of Transportation and Logistics Management Program and/or Professor’s Permission.

## COURSE OBJECTIVES

The objectives of this course are:

- An understanding of the role of physical distribution/ logistics in both business and government environments.
- An understanding of the logistics system components and their inter-relationships within individual companies, including cost to cost and cost to service trade-offs.
- The ability to identify specific customer service variables (the output of the logistics system) that will provide a differential advantage in the marketplace.
- An understanding of a variety of analytical tools, skills and techniques that can be used to solve logistical problems.
- The tools required to identify customer service and cost reduction opportunities related to a firm's logistics/supply chain activities and processes.
- The knowledge and tools required to design a least total cost logistics organization and facility network

## REQUIRED COURSE MATERIALS

Text: "Selected Materials for Supply Chain Management," by various authors (Lambert, Stock, Bowersox, Closs, Pelton, Sterling, etc.), custom published by McGraw-Hill, ISBN# 0-07-228248-7.

Also, the PowerPoint slides used in the class are required and available on my web site ([www.rutner.com](http://www.rutner.com)). You need to download each week's slides before class to assist in taking notes. My goal here is to save you money by not requiring you to purchase a notes packet.

## OFFICE HOURS

<b>Professor:</b>	Stephen M. Rutner, Ph.D.
<b>Office:</b>	WCOB 347
<b>Phone:</b>	575-7334
<b>E-Mail:</b>	srutner@walton.uark.edu
<b>Web Page:</b>	<a href="http://www.rutner.com">www.rutner.com</a>
<b>Office Hours:</b>	M-F 10:30 – 11:30 a.m. TR 4:00 – 6:00 p.m.
<b>Class Schedule:</b>	TR 6:00 – 9:20 p.m.

## STRUCTURE OF COURSE

This course meets once a week throughout the semester. The principal types of classroom activities include the following:

- Lectures to expand upon, illustrate, and supplement the material in the text;
- In class examples, projects, and case discussion;
- There will be no examinations throughout the semester unless the professor feels that the class is not keeping up with the assigned material; and
- Individual assigned presentations to covering specific logistics topics.

### Cases:

There will be two cases due during the semester. These cases will challenge the class members to apply the materials learned throughout the semester and will be the backbone of the course evaluation. Students will work in groups of three members per team. Each team will turn in one case evaluation on the assigned date. Furthermore, a class period will be devoted to discussing the groups' decisions. Each case will account for 1/6 of the final grade.

### Exams:

There are two examinations during the semester. Each will consist of a combination of multiple choice and essays type questions. There will be a mid-term and a final exam. The final is NOT cumulative. Each exam will count for 1/6 of the final grade.

### Individual Projects

Every student will now complete at ONE 15-20 minute presentation during the semester. Each presentation will have the same weight as a case and count for 1/6 of your final grade. If a student chooses to make an additional presentation (and there is an available subject and time), it can increase any other score one letter grade (i.e., a B on an exam may be changed to an A).

### Class Participation

Class participation will count the final 1/6 of your grade!! This is a key part of the class, and you need to participate to have a successful learning experience.

## GRADING POLICIES

With SIX (6) scores from cases, exams, presentations and class participation, a total of 600 points is possible. Your final grades will be based on the traditional 90% is an A, 80% equates to a B, etc.

As with any graduate class, I expect the students to do an excellent job. Grading of assignments, cases, etc. will be based on my expectation of your high levels of excellence.

## ASSIGNMENT MAKEUP POLICY

General course policy is that no makeup assignments will be accepted unless a student can prove in writing that circumstances of an extraordinary nature necessitated an absence from a particular examination. Since assignment dates have been announced well in advance, employment interviews or plant visits will not be a valid excuse for missing a regularly-scheduled assignment. All of the assignment dates for this course have been announced as of the first day of class. Students should view these dates as firm, and schedule other commitments around these dates.

## ATTENDANCE POLICY

Although prompt, regular attendance will prove to be helpful to students in this course, there is no easy way to require and monitor attendance on a daily basis. Thus, this important aspect of the course is left up to each individual student. However, as stated previously, participation is a key part of the overall grade.

Arriving late and/or leaving class early, however, is extremely disruptive and annoying to the instructor and to other students taking the course. For this reason, anyone attending class should plan to stay until all material has been covered, and the instructor has dismissed the class. Otherwise, it would be better not to show up at all, and thus avoid inconveniencing others.

## INCLEMENT WEATHER POLICY

If inclement weather (e.g., snowstorm, hurricane, etc.) makes it difficult or impossible for a significant number of students to be in class on an exam day, the examination will be postponed until the next regularly-scheduled class period. While this policy probably will be an inconvenience to those who are able to get to class, it will assure all students that everyone takes the same exam under identical circumstances. The idea of giving a make-up exam to large numbers of students simply may not be feasible in this class. Thus, everyone will need to be as flexible as possible if a critical date needs to change due to inclement weather.

## ACADEMIC DISHONESTY

The policy of the College of Business Administration is that any academic dishonesty shall result in a grade of "F" for the course. This policy will be enforced strictly in this course. Please note that a group project does not allow a person to use another's work. Please refer to *Catalog of Study – Academic Regulation (Academic Honesty)* for a discussion of academic dishonesty.

## DISTANCE LEARNING SPECIFIC STUFF

A student shall not provide his/her password to anyone nor let anyone else have access to his/her account. A student is responsible for all uses of his/her password.

This course will use videoconferencing and the Internet for delivery of class sessions. In addition to live transmission of the class sessions, recordings of the class sessions may be retained for use in this course or in future course offerings.

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 Course Outline – Summer Semester, 2002

DATE	TOPIC	Lecture #	Case Due	Presentation
T 5/21	Course Introduction/Overview Creating Customer Value	1		
	The Integrated Logistics Concept	2		
R 5/23	Customer Service	3		Who's best CS Co.?
	Setting Customer Service Levels	4		It's not just business
T 5/28	Inventory & Customer Service	14		Reverse Logistics
	Forecasting & Production Planning	14		Real World how & why?
R 5/30	Managing Manufacturers' Inventories	15	#1	Time as a Weapon
T 6/4	"Just-in-Time" Inventory Management	15		JIT, GM, & Disaster?
	Advanced Inventory & DRP			Benetton
	ECR (VMI & CRP)			Int'l Shipping Lanes
R 6/6	Transportation-Infrastructure			"Ship it," now what?
	Transportation-Management			The Undercharge Issue
T 6/11	Mid-Term Exam			
R 6/13	Order Management	17		RR Mergers & SCM
	The "Perfect Order" Concept	17		Maquiladora Operations
	Outsourcing/Third Party Logistics	12		Who is 3PL?
T 6/18	Supplier Selection and Evaluation	12	#2	Outsourcing & Humans
	Supply Chain Management	5		DC Technologies
	Supply Chain Frameworks	6		Wal*Mart 600lb Gorilla
R 6/20	SCM Relationships, & Legal	7 & 8		Successful Franchises
	SCM Information Flows	11		FedEx in Asia
T 6/25	Measuring Supply Chain Performance	18		Toy's R Us in Japan
	Final Exam			

NOTE: Due to the short timeline in the summer Students will be responsible for reading and going over the slides for the below sections for the final exam!!

Purchasing: Objectives, Procedures,	10
Price Determination	13

Spare topics for presentations:

IS/IT's Impact on SCM  
Jobs in Logistics

What are current "Perfect Order" levels?  
Example Supply Chains